DEPARTMENT OF STATE A/CRS/NR
REVIEWED BY J.M.Razi DATE 5/6/8

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May 29, 1959

TO: Mr. Donald B. McPhail,
Acting Regional Director,
Office of African and European Operations,
International Cooperation Administration.

SUBJECT: Libyan Aid Program for 1959.

In connection with the Libyan aid program for 1959, I understand that some questions have arisen as to (a) whether any exchange of notes, further than that contained in Benghazi's telegram 590, is necessary in order to obligate the $4 million from MSP funds for unrestricted use during FY 1959, (b) whether Circular 175 procedure is required if the Ambassador is to sign such a note, (c) whether conditions regarding use of these funds for debt retirement and sources of procurement should be included in any subsequent exchange of notes.

With regard to (a) it is our view that the Exchange of Notes effected with the Libyan Government on May 21 already constitutes obligation of funds and that no further note is necessary for this purpose. However, we see no objection to USOM Director Ben Brown effecting with the appropriate Libyan official an exchange of letters regarding the $4 million MSP grant covered in the notes already exchanged.

With regard to (b), if the procedure suggested above is followed, no question of Circular 175 clearance would arise.

With regard to (c), the offer without conditions as contained in the exchange of notes effected on May 21 was authorized in Deptels 428 and 457 to Benghazi and was approved in Deptel 529, all of which were cleared with ICA. We do not therefore feel that it would be proper or feasible at this juncture to modify the language of the notes already exchanged and approved or to add conditions not already contained therein.

William J. Porter
Director
Office of Northern African Affairs

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5/29/59

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